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Missouri

Executive Budget Summary Fiscal Year 1983

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Christopher S. Bond
Governor

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EXECUTIVE OFFICE
STATE OF MISSOURI
P. O. Box 720
JEFFERSON CITY
65102

CHRISTOPHER S. BOND
GOVERNOR

RETURN TO GOVERNMENT DOCUMENTS

January 6, 1982

To the General Assembly and the People of Missouri:

When I took office one year ago we were faced with a state budget which was $270 million out of balance. Revenues for the fiscal year which was half over were running $150 million below estimates. We worked hard to regain fiscal stability. We asked clients, vendors and employees for patience and sacrifice.

I am pleased to be in a position to submit a budget to you today which returns Missouri to fiscal stability and makes funds available for economic growth and quality of life for Missourians.

I ask you to join me in an investment for our future. This prudent budget is the first step in that direction. It provides funding for priority areas, including:

* Revitalizing the state economy by bringing new jobs to the state and encouraging existing employers to create more jobs here in Missouri;

* Improving the quality of public education; and

* Providing quality care for Missouri's elderly, disabled and needy.

It is the goal of my administration to restore confidence in the ability of state government to operate responsibly, to provide quality programs, and to live within our means.

Sincerely,

Christopher S. Bond

GOVERNOR

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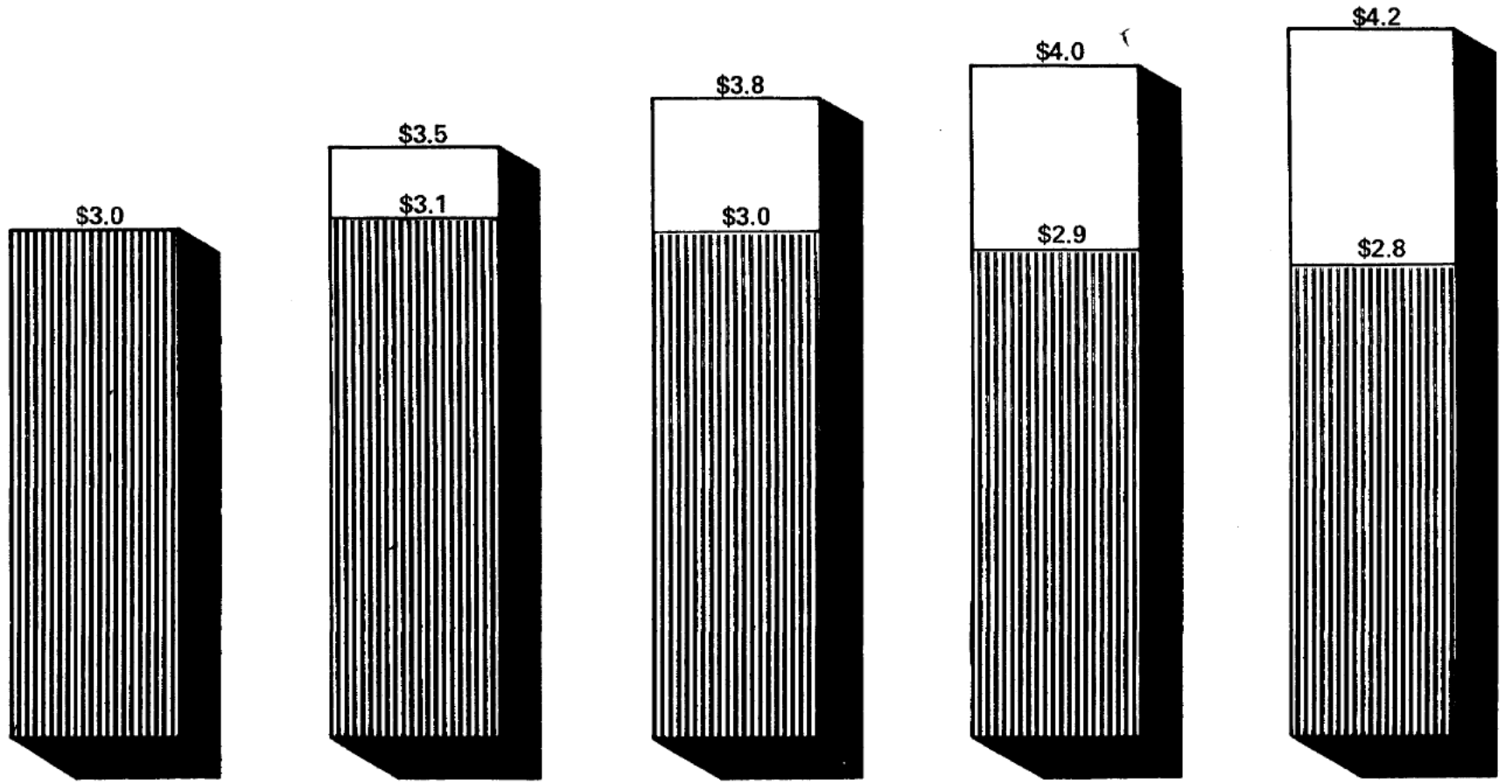
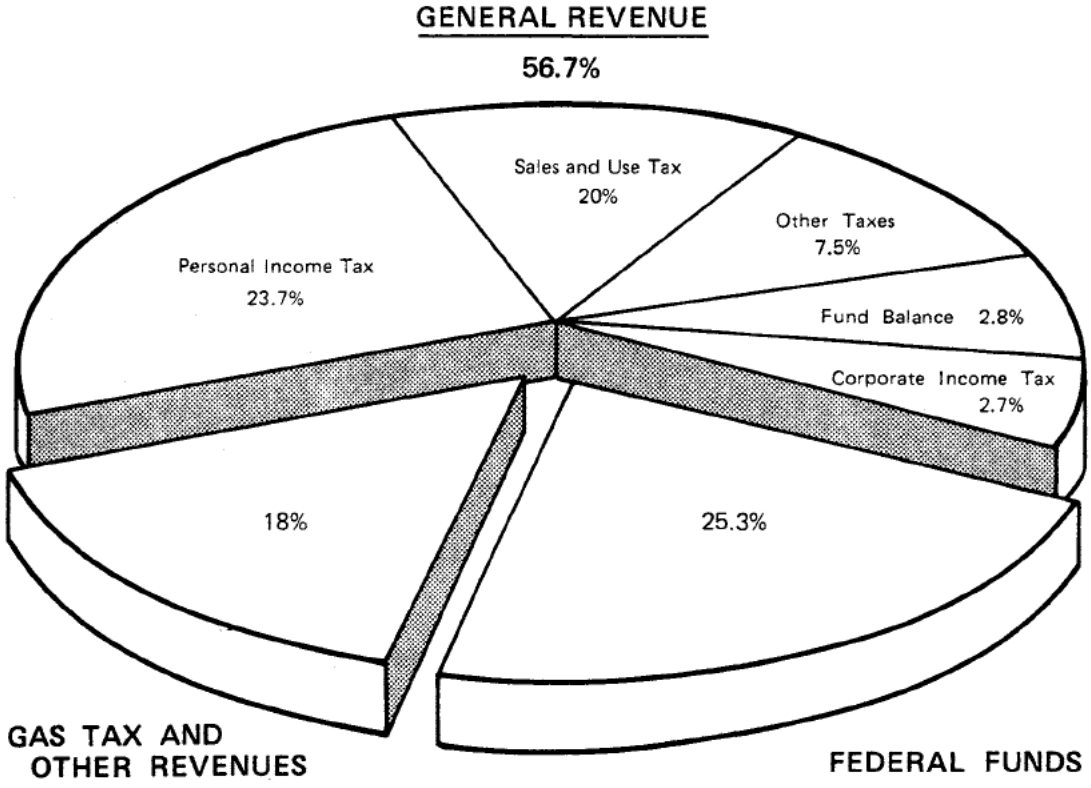
THE MISSOURI STATE BUDGET

ALL FUNDS

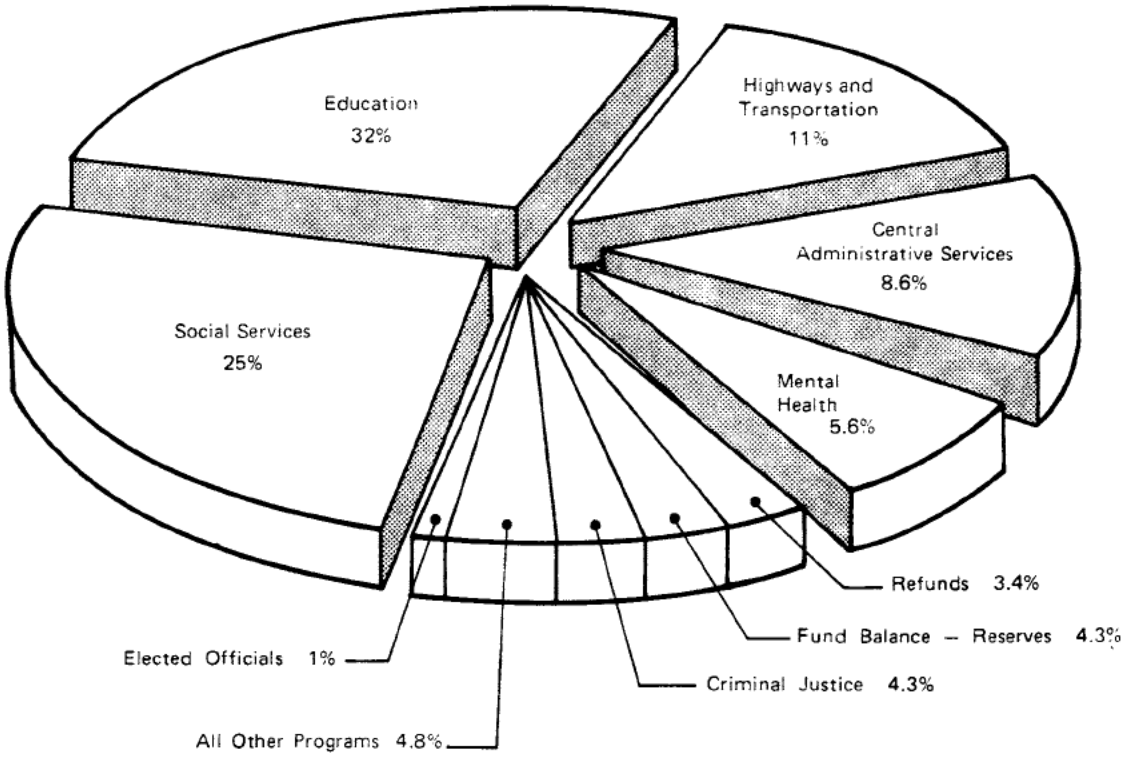


BASE YEAR – FY 1979

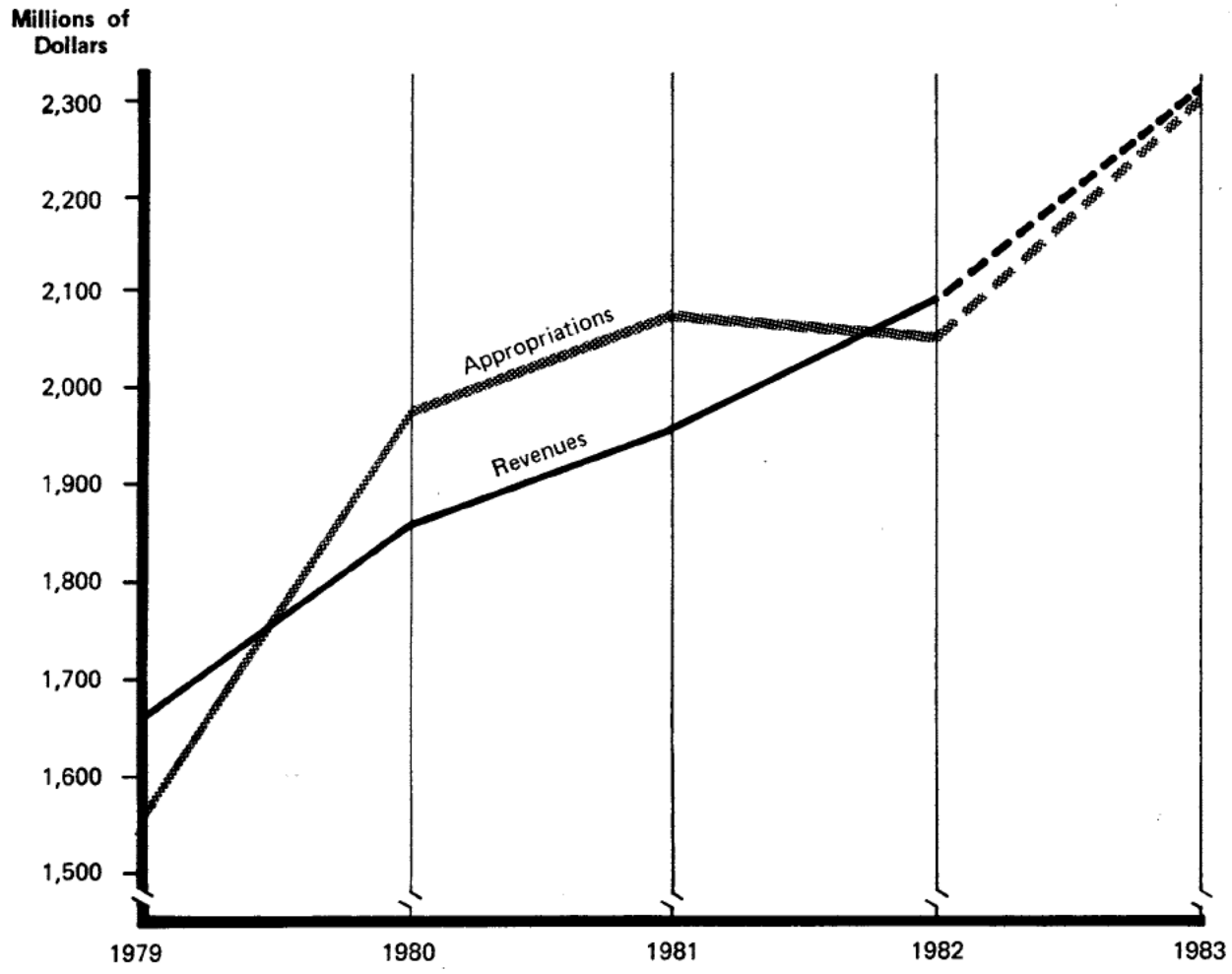
FISCAL YEAR 1983 BUDGET
REVENUES BY SOURCE



FISCAL YEAR 1983
SPENDING BY PROGRAM



GENERAL REVENUE FUND
APPROPRIATIONS AND REVENUES



EXECUTIVE ACTION TO BALANCE THE MISSOURI STATE BUDGET

Governor Bond inherited a state budget which was $270 million out of balance. Revenues for the fiscal year which was half over were running $150 million below estimates.

Many of the financial problems Missouri was facing were the result of a stagnant national economy that impacted Missouri with plant closings and employee layoffs which placed more demands on state resources.

Immediately after his election Governor Bond began meeting with state budget officials to assess Missouri's financial situation even before assuming office. Realizing that spending authority far outstripped revenues available, Governor Bond on assuming office implemented a FY 1981 cutback of $63 million.

The FY 1982 budget Governor Bond proposed to the General Assembly could best be termed "standstill" in that it returned state spending to a FY 1979 level, when adjusted for inflation.

As the 1981 session proceeded it became apparent that state revenues were not meeting targets and that additional action would be necessary. In an unprecedented action Governor Bond announced on June 22, 1981 that he was taking $95.6 million in FY 1982 actions through veto and withholding to maintain Missouri's financial integrity.

Realizing that budget cuts alone will not solve Missouri's economic problems, Governor Bond approved additional funds for encouraging economic growth by further exposing Missouri to broader national and international markets and by appointing a special assistant to promote Missouri's economy and bring more good jobs to Missouri.

The following narrative highlights actions which Governor Bond has taken in response to the state's fiscal crisis since assuming office in January, 1981.

January 1981

Governor Bond introduced an FY 1982 Executive Budget that reduced $360 million from agency requests. By carefully paring requests the Governor was able to preserve essential human services, continue "people programs" and protect the integrity of state aid to elementary and higher education. In addition, he was able to provide funds for opening of a a new 512 inmate prison which served to reduce the inhumane overcrowding situation.

To get expenditures under control, Governor Bond proposed and got passed needed legislation that reforms Missouri's Medicaid laws as a check on runaway hospital rates and nursing home costs. These measures have also more accurately controlled the increasing caseload by eliminating abuse and fraud.

June 1981

The General Assembly approved a budget that was slightly under the Governor's recommendation, however, the continued delay in economic recovery resulted in a fiscal situation requiring additional spending reductions. Reductions in June amounted to $95.6 million in general revenue fund spending reductions. Vetoes of $20.6 million and 10% operating budget cuts of $75.0 million were made.

October 1981

The summer and early fall months brought continued stagnation of the economy rather than expected recovery. This continued slump prompted cash-flow problems. Simply stated cash flow problems for the state resulted from a mismatch of expenditures and revenues which result in greatly delayed payments. In a time when the state had greater reserves this mismatch was not a problem, but the prolonged economic slump had drained the state's reserves. Governor Bond assessed the problems and imposed a two prong solution composed of payment deferrals and additional carefully targeted spending reductions.

The deferrals touched most state vendors including the education community where in excess of $100 million has been delayed until later in the fiscal year.

December 1981

Through a combination of management, budgetary, and legislative actions, Governor Bond announced a program to increase revenues by $94.0 million over the period January 1982 to June 1983.

January 1982

THE FISCAL ACTION AGENDA

-The Restoration of Fiscal Stability-

Executive management during the past twelve months has restored Missouri state government to fiscal responsibility. Spending has been brought into line with revenues. The size of Missouri state government has shrunk significantly. During the first six months of FY 1982, state spending for payroll is down by about 8.0 percent from the same period one year ago. Expenditures in other areas are running below a year ago as well.

Governor Bond introduced a FY 1983 budget that effectively reduced the size of state government by 10% and cut $216 million from agency requests. Through careful selection of program and spending reductions, the Governor has been able to continue essential human services, set aside a minimum amount for cash-flow reserves, and fund selected increases in vital programs.

One year ago, the government of the state of Missouri faced financial instability. Today, strong fiscal management gives us a new and better prospect. Specifically, implementing the Governor's Fiscal Action Agenda will enable us to:

-Solidify our gains and ensure permanent fiscal strength.

-Direct significant new investments to selected, high-priority needs.

-Avoid raising taxes.

Legislative cooperation has been an essential element in steps taken to correct our fiscal crisis. A lasting solution to the fiscal threat hinges on continued executive-legislative coordination.

-January Fiscal Management Legislation-

Immediate enactment of four bills is critical to the fiscal recovery strategy. There is one alternative to their passage--a continued cash-flow crisis that can be solved only by withholding funds from Missouri's school districts. All four bills are technical in nature and noncontroversial.

-Authorization to make a fifth school foundation formula payment instead of four will permit the state to reschedule disbursement only if necessary, to avoid a cash-flow problem. The proposal is identical to a "fifth payment" bill enacted for the same purpose in FY 1977.

-A temporary incorporation of Federal Revenue Sharing fund balances the General Revenue Fund will ensure against unanticipated, adverse cash balances during January, February, and the balance of the year and fully fund all anticipated capital projects in FY 1982.

-Revisions to the Missouri Aid to Families with Dependent Children (AFDC) program will comply with new federal law and hold Missouri harmless from federal financial participation sanctions and penalties.

-Reform of the Public Defender program will relieve the state from this program's potential for cost-overruns also fulfill the state's legal responsibility to indigent defendents.

-Integrity of the Revenue System-

The General Assembly will need to enact additional pieces of legislation in order to secure the integrity of the existing revenue system.

-Most important is Governor Bond's proposal to "decouple" Missouri corporate income taxes from the liberalized business depreciation rates that Congress adopted in the Economic Recovery Tax Act of 1981. Without decoupling, the estimated $35.0 million loss in FY 1983 would mushroom to $51 million in FY 1984 and to $87 million in FY 1985. "Decoupling" will avert a major weakening of the revenue structure and a substantial shift of the tax burden to individuals.

-Modernizing outdated fees charged to those who use state services will strengthen the revenue structure further. Governor Bond and the state judiciary have developed legislation that will revamp court fees and add $4.3 million to state revenues in FY 1983.

-Capping "Uncontrollable" Programs-

Legislation is urgently needed to place firm cost ceilings on our most expensive programs: Aid to Families with Dependent Children (AFDC) and Medicaid. In its first regular session, the 81st General Assembly enacted important new curbs on program eligibility. The Medicaid program continues to display a rate of growth beyond legitimate client needs. Costs in the AFDC program are inflated by irresponsible, absent parents.

-The Governor urges prompt passage of a second stage of Medicaid reforms aimed at controlling clients and providers who abuse the program, to recover overpayments and to make nursing home services more competitive.

-The Omnibus Child Support bill of 1982 will help shift the AFDC cost burden back on absent parents, recovering nearly $2 million in general revenue duiring FY 1983 and substantially more in later years.

-Tax Policy for FY 1983-

The legislative measures described above, combined with decisive executive management, will protect the state's fiscal status from further, severe disruption. In addition, they will protect the people of Missouri from a heavier tax burden.

The same economy that has left state revenues listless has diminished public willingness and sheer financial ability to pay higher taxes. The cumulative impact of high inflation and economic recession has struck against the ability of our citizens to meet their own needs. One chilling fact: After adjusting for inflation, Missouri per capita income dropped by 5.5% between 1979 and 1981, from $7,723 to $7,299.

The Governor's position is that aggressive, businesslike management is the best cure for the fiscal difficulties of state government. The legislative measures he proposes for fiscal stability are an integral part of his strategy for recovery.

-Restraint and Strategic Investment: FY 1983 Budget Policy-

The executive budget for FY 1983 totals $2.3 billion in general revenue and $4.2 billion when federal and all other funds are included. In current dollars, these totals are $200 million above their planned spending levels in FY 1982. In deflated dollars, however, they are $300 million below actual spending in FY 1980. The actual purchasing power of the state general revenue budget has fallen by 10.8% since FY 1981.

The FY 1983 budget joins fiscal restraint with initiatives that match our modestly expanding resources to the sectors of most productive investment: education and human capital, economic development, criminal justice and life-enhancing services for our elderly and our children. The Governor proposes new enabling legislation in those areas. The following funding increases from general revenue are the fiscal complement of those strategic initiatives.

Education and Human Capital

-Expanded Funding for the School Foundation Formula	$30.0 million
-Increased Support for Higher Education	$29.5 million
-Aid to Junior Colleges	$8.7 million
-Early Childhood Development	$102,000

Economic Development

-National and International Marketing Strategy	$1.6 million
-Soil Conservation Partnership with Farmers	$1.0 million

Children's Well-Being

-Strengthened Services in the Home	$2.0 million
-Strengthened Foster Care and Community Resources	$2.1 million
-Children's Health Initiative	$1.5 million

Elderly	
-Pilot Project to Develop Alternative Services	$614,000
-Full Funding for Personal Care: Senate Bill 63, 81st General Assembly, First Session	$565,000
-New Home for Veterans	$2 million
Criminal Justice	
-Division of Special Investigations	$1.5 million
-Alcohol and Drug Abuse Services: Maintain Full Funding	$2.0 million
-Additional Placements in Halfway Houses	$921,000
State Management Strengthening	
-Employee Pay Plan	$28.5 million
-Actuarial Funding of Employees' Retirement System	$17.0 million

PUBLIC DEBT

FINANCIAL SUMMARY

	EXPENDITURE FY 1981	PLANNED FY 1982	REQUEST FY 1983	GOVERNOR RECOMMENDS
Administration	$ 18,439	$ 19,053	$ 20,292	$ 20,292
Water Pollution Control Bonds	13,487,248	15,577,443	15,708,853	15,708,853
TOTAL	$ 13,505,687	$ 15,596,496	$ 15,729,145	$ 15,729,145
General Revenue Fund	7,884,247	7,801,993	7,869,475	7,869,475
Water Pollution Control Bond & Interest Fund	5,621,440	7,794,503	7,859,670	7,859,670

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

FINANCIAL SUMMARY

	EXPENDITURE FY 1981	PLANNED FY 1982	REQUEST FY 1983	GOVERNOR RECOMMENDS
Division of General Administration	$748,282,691	$768,547,782	$879,928,849	$803,807,734
Division of Instruction	52,022,165	56,365,745	68,648,237	64,190,205
Division of Urban and Teacher Education	400,654	367,379	480,098	386,998
Division of Vocational Rehabilitation	30,924,374	43,213,588	46,957,500	45,026,024
Division of Career and Adult Education	44,975,511	62,610,208	71,786,520	58,856,345
Division of Special Education	21,476,447	25,691,111	30,810,892	28,222,867
Missouri School for the Deaf	2,532,202	2,806,259	3,783,299	3,142,824
Missouri School for the Blind	2,531,933	3,125,545	3,981,145	3,345,920
Schools for the Severely Handicapped	18,313,270	19,124,143	24,073,087	20,556,435
Missouri Advisory Council on Vocational Education	125,562	170,912	113,304	113,304
State Occupational Information Commission	96,795	117,891	154,251	139,481
DEPARTMENTAL TOTAL	$921,681,604	$982,140,563	$1,130,717,182	$1,027,788,137
General Revenue Fund	28,779,425	25,668,504	36,580,046	30,153,835
Federal Funds	179,133,234	218,655,455	244,595,841	232,578,921
State School Moneys Fund*	709,782,485	736,049,604	847,774,295	763,288,381
State Public School Fund	3,852,144	1,000,000	1,000,000	1,000,000
School for the Deaf Trust Fund	1,261	82,000	82,000	82,000
School for the Blind Trust Fund	126,297	650,000	650,000	650,000
Handicapped Children's Trust Fund	6,758	35,000	35,000	35,000
Full-time equivalent employees	1,895.76	1,908.89	1,968.11	1,953.49

*State School Moneys Fund amounts include the following transfers from general revenue: $650,023,557 in Fiscal Year 1981; $671,424,613 in Fiscal Year 1982; and $702,288,381 in Governor Recommends for Fiscal Year 1983.

DEPARTMENT OF HIGHER EDUCATION

FINANCIAL SUMMARY

	EXPENDITURE FY 1981	PLANNED FY 1982	REQUEST FY 1983	GOVERNOR RECOMMENDS
Higher Education Coordination	$ 598,706	$ 606,215	$ 709,644	$ 630,976
Student Financial Aids	10,563,907	17,740,810	21,608,854	18,538,176
State Anatomical Board	2,417	2,250	2,500	2,500
Readers for the Blind	10,036	18,000	18,000	18,000
Missouri State Library	3,401,570	3,913,590	5,613,498	3,625,162
State Aid to Junior Colleges	34,384,062	29,938,054	44,465,911	38,628,282
Institutions of Higher Education				
Central Mo. State University	19,393,945	17,646,809	22,237,627	19,704,785
Southeast Mo. State University	17,384,751	15,444,508	19,101,116	16,890,831
Southwest Mo. State University	23,244,445	21,984,949	27,185,852	24,290,332
Lincoln University	6,204,642	5,573,218	6,923,665	5,876,147
Northeast Mo. State University	13,378,970	12,206,735	15,289,847	13,492,993
Northwest Mo. State University	9,570,379	9,434,642	12,056,541	11,026,874
Mo. Southern State College	6,432,800	5,645,321	7,229,184	6,380,003
Mo. Western State College	6,707,602	6,319,315	8,036,793	7,177,373
Harris-Stowe State College	2,851,170	2,659,652	3,299,086	2,888,008
University of Missouri				
Education and General	165,569,429	153,215,959	189,819,831	170,445,948
Hospital	12,954,535	12,019,672	14,405,761	13,343,185
Mo. Institute of Psychiatry	1,733,000	1,866,879	2,040,404	1,978,065
Mo. Kidney Program	2,317,026	2,151,566	2,316,847	2,162,893
State Historical Society	439,265	407,964	456,547	444,329
State Seminary Fund Investments	1,000,000	1,000,000	1,000,000	1,000,000
State Seminary Fund Income on Investments	144,042	163,000	175,250	200,000
DEPARTMENTAL TOTAL	$ 338,286,699	$ 319,959,108	$ 403,992,758	$ 358,744,862
General Revenue Fund	333,146,901	307,041,119	390,419,128	345,420,958
Federal Funds	3,363,792	3,339,474	2,927,419	2,927,419
State Guaranty Student Loan Fund	630,066	8,413,015	9,468,461	9,193,985
Higher Education Institutional Gift Fund	1,898	2,500	2,500	2,500
State Seminary Fund	1,000,000	1,000,000	1,000,000	1,000,000
State Seminary Moneys Fund	144,042	163,000	175,250	200,000

POLICY SUMMARY

STATE AID TO JUNIOR COLLEGES

The Governor recommends a 16.1% increase of $8,690,228 in state aid to junior colleges over the recommended Fiscal Year 1982 appropriation. The increase in state aid will help junior colleges keep pace with the growing number of students attending their institutions. The additional state aid includes funds for the Governor's pay plan, utility increases and increases in costs of library acquistions and also provides funds for an anticipated increase in the number of students attending the state's junior colleges.

MISSOURI GUARANTEED STUDENT LOAN PROGRAM

The Governor recommends that the Missouri Guaranteed Student Loan Program be reorganized. The program will take advantage of the full services offered by United Student Aid Funds, Inc. The program staff will focus their efforts on giving students, schools and lenders prompt, high quality service. The reorganization will result in a net decrease of four employees in the program.

COLLEGES AND UNIVERSITIES

The Governor's recommendations for the four-year state colleges and universities and for the University of Missouri include funds for his pay plan, utility increases, and a 16% inflation factor for library acquisitions.

The Governor recognizes that the withholding has had a substantial impact on the share of state support received by the schools. The Governor recommends funding that increases the general revenue to the colleges and universities by more than 11% over that actually received for FY 1982. This recommendation will bring the percent of state support to a point approximately halfway between that recommended last year and the actual percent of state support after withholding.

In order to assure maximum flexibility for the colleges and universities, the Governor has chosen not to earmark funds for new or expanded programs. In adjusting the percentage of state support, the Governor is allowing the individual schools to allocate available funds as appropriate for their particular financial condition and educational mission.

The Governor applauds the efforts of the colleges and universities to maintain the quality of their programs and reiterates his support of Missouri's higher education program.

DEPARTMENT OF REVENUE

FINANCIAL SUMMARY

	EXPENDITURE FY 1981	PLANNED FY 1982	REQUEST FY 1983	GOVERNOR RECOMMENDS
Division of Administration	$ 3,740,730	$ 3,990,776	$ 4,519,480	$ 4,435,832
Division of Information Systems	4,093,734	3,986,895	5,085,277	4,523,721
Division of Taxation	7,604,713	7,274,099	10,190,858	9,780,931
Division of Motor Vehicles & Driver Licenses	6,825,025	7,687,103	8,500,748	8,356,014
Branch Offices	2,498,277	2,514,495	2,812,542	2,686,968
Highway Reciprocity Commission	374,684	457,287	593,890	542,302
State Tax Commission	3,628,615	1,651,481	2,367,570	1,777,821
Refunds	211,459,518	235,466,000	246,358,000	234,466,000
TOTAL	$ 240,225,296	$263,028,136	$280,428,365	$266,569,589
General Revenue Fund	161,758,953	171,001,067	186,229,840	179,012,333
Highway Department Fund	23,081,694	27,027,069	29,198,525	28,557,256
Motor Fuel Tax Fund	33,230,788	39,000,000	39,000,000	35,000,000
County Aid Road Trust Fund	22,153,861	26,000,000	26,000,000	24,000,000
Full-time equivalent employees	1,575.25	1,525	1,718	1,662

POLICY SUMMARY

MAJOR RECOMMENDATIONS

Division of Administration
The Governor recommends $396,000 in expense and equipment to pay for increased postage costs and $47,064 for 2 legal counsel to process the current backlog in potential tax cases.

Division of Information Systems
The Governor recommends $148,518 for increased use of computer services provided by the State Data Center. The Governor also recommends $95,000 to contract for a design and requirements study for a automated individual income tax system and $53,844 for data processing equipment to automate the delinquent tax collection process.

Division of Taxation
The Governor recommends $1,421,387 for 104 audit and clerical positions and related expenses to enforce current tax laws and collect taxes due to the state. The Governor also recommends one clerk, $12,528 to administer the licensing of bingo games, $25,000 to purchase a two year supply of cigarette decals used to designate taxes paid by distributors, and $60,000 to print new withholding tax tables which are necessary to reflect federal tax changes.

Division of Motor Vehicles and Drivers Licenses
The Governor recommends $256,990 to purchase additional license plates and renewable tabs due to a 10% annual growth rate and the issuance of one year plates as a result of House Bill 511 and 695 passed during the First Regular Session of the 81st General Assembly.

The Governor also recommends $100,130 for tamper-proof vehicle registration titles as required by HB 511 and the transfer of $25,500 for Drivers Guides from the Division of Motor Vehicles and Drivers Licenses to the Highway Patrol Division of Vehicle and Driver Safety .

Highway Reciprocity Commission
The Governor recommends $80,000 in data processing expense to computerize the computation process for registration fees on interstate commercial vehicles.

ELECTED OFFICIALS

FINANCIAL SUMMARY

	EXPENDITURE FY 1981	PLANNED FY 1982	REQUEST FY 1983	GOVERNOR RECOMMENDS
Office of the Chief Executive	$ 3,407,615	$ 5,434,291	$ 9,438,728	$ 9,438,728
Lieutenant Governor	160,106	163,633	160,695	160,695
Secretary of State	3,430,112	4,082,975	4,664,410	4,367,200
State Auditor	2,927,939	3,035,849	3,590,550	3,590,550
State Treasurer	856,757	1,307,923	1,372,433	1,363,533
Attorney General	3,033,658	4,247,472	4,866,412	4,841,412
TOTAL	$ 13,816,187	$ 18,272,143	$ 24,093,228	$ 23,762,118
General Revenue Fund	10,419,151	11,292,228	12,548,013	12,217,578
Federal Funds	33,711	1,209,912	1,599,437	1,599,437
Computer Output Microfilm Revolving Fund	346,778	450,276	456,349	455,674
Central Check Mailing Service Revolving Fund	2,555	50,000	50,000	50,000
Attorney General's Court Cost Fund	36,607	50,000	50,000	50,000
Conservation Fund	22,192	31,995	33,657	33,657
Highway Fund	505,447	504,183	544,552	544,552
Workmen's Compensation Fund	96,998	117,000	117,000	117,000
Antitrust Revolving Fund	63,818	66,549	70,220	70,220
Abandoned Fund Account	118,777	500,000	500,000	500,000
Agricultural Emergency Fund	2,170,153	4,000,000	8,000,000	8,000,000
Missouri Prosecution Services Fund	0	0	124,000	124,000

POLICY SUMMARY

The Governor's recommendation for the operation of his office, the mansion and the offices of the other five elected officials includes only dues increases, funding for new legislation, both state and federal and items that are essential to the continued operation of the elected officials' offices.

The recommendation for the Office of the Chief Executive includes a $7,876 expense reduction for the telephone rate adjustment; an additional $11,011 for increased dues to the Southern States Energy Board; and a $4,000,000 increase for expenditures from the Agricultural Emergency Fund due to an improved investment program.

The Governor's recommendation does not include funding for dues to the Ozarks Regional Commission because federal spending cuts have virtually eliminated any benefits the state might gain through participation in the program.

A summary of the major areas affected by the Governor's recommendations in the other statewide elected officials' budgets includes $114,520 for the Secretary of State to replace power files and an additional $230,000 to publish initiative petitions and referendums during the upcoming election year. Included in the recommendation is $389,525 from federal funds for the Auditor to fulfill the audit requirements associated with new federal block grants by hiring 15 new staff members; an additional $20,000 for the State Treasurer to increase use of "money max," a computerized investment service; and additional $62,200 for legal and clerical staff in the Attorney General's office to process delinquent tax cases and $124,000 from the Missouri Prosecution Service Fund to establish the Missouri Office of Prosecution Services authorized by Senate Bill 32 which passed during the last session of the General Assembly.

OFFICE OF ADMINISTRATION

FINANCIAL SUMMARY

	EXPENDITURE FY 1981	PLANNED FY 1982	REQUEST FY 1983	GOVERNOR RECOMMENDS
Commissioner and Central Staff	$ 421,257	$ 453,232	$ 502,596	$ 491,324
Division of Accounting	1,493,995	1,476,778	1,521,315	1,521,315
Division of Budget and Planning	1,668,823	2,032,702	2,341,459	1,846,754
Division of Design and Construction	10,886,449	11,856,140	13,809,288	13,798,888
Division of EDP Coordination	5,401,857	5,930,639	16,048,373	16,048,373
Flight Operations	430,207	727,312	722,901	672,018
Division of Personnel	1,684,252	1,718,552	1,788,189	1,788,189
Personnel Advisory Board	61,329	69,063	85,228	85,228
Division of Purchasing	1,128,181	2,205,362	2,255,872	2,255,872
Division of General Services	2,251,074	4,997,828	5,145,133	5,144,762
Employee Benefit Disbursement	115,525,317	120,752,658	149,780,148	149,780,148
Administrative Disbursements	40,597,145	44,316,008	44,763,098	44,763,098
Other Disbursements	365,138	426,065	385,000	385,000
TOTAL	$181,915,024	$196,962,339	$239,148,600	$238,580,969
General Revenue Fund	139,965,851	142,630,401	169,053,944	169,043,538
Federal Funds	7,244,598	12,615,817	14,176,681	13,670,710
Highway Department Fund	1,449,997	2,006,597	1,821,830	1,821,830
Revolving Administrative Trust Fund	1,619,462	4,370,211	13,017,073	12,965,819
Conservation Commission Fund	200,409	254,939	307,939	307,939
Surplus Property Fund	374,925	1,100,000	1,100,000	1,100,000
Other Sources	31,059,782	33,984,374	39,671,133	39,671,133
Full-time equivalent employees	565.17	618.00	641.95	619.20

POLICY SUMMARY

The Governor's recommendation for the Office of Administration includes general revenue funds to support necessary functions which have previously been paid for with federal funds; funds to continue providing service to all of state government; and the Governor's pay plan which includes a 3% increase on existing salaries and $500 for full-time employees.

Commissioner and Central Staff

The Governor recommends $22,250 for the telephone rate adjustment and $11,266 from general revenue to fund 1 account clerk previously supported with federal funds.

Division of Budget and Planning

The Governor recommends $494,704 from general revenue to fund 20.25 analysts and related expenses previously supported with federal funds and $52,663 for 1 assistant program manager and increased costs in the Washington Office.

Division of Design and Construction

The Governor recommends $180,611 for increased utility costs; $180,152 for increased contract costs for rental space in Jefferson City; $232,937 to provide rental space for the Department of Corrections and Human Resources, the Division of Health and Workmen's Compensation; $1,165,353 for increased costs in the four state office buildings; and $87,729 for 1.10 maintenance staff and supplies for the Truman State Office Building.

Division of Electronic Data Processing Coordination

The Governor recommends $47,892 for 3 communication specialists and $9,159,087 in expenses to establish an in-house revolving fund for state telephone billings; $133,860 for increases in data processing equipment and supplies; and $662,262 for a new statewide telephone and communications system.

Division of Flight Operations

The Governor recommends $50,883 from general revenue to fund 1.5 pilots previously supported by revolving funds to enable Flight Operations to charge rates competitive with local charter services; $12,103 for increases in aircraft and jet fuel; and $150,912 for ongoing aircraft overhauls.

Division of Personnel

The Governor recommends $30,000 for an employee incentive and productivity improvement program.

Personnel Advisory Board

The Governor recommends $3,596 to continue the current level of funding and $10,800 to contract for hearings officers.

Division of Purchasing

The Governor recommends $36,000 for increases in postage and other operating expenses.

Division of General Services

The Governor recommends $23,391 for a program specialist to manage the Employee Assistance program and $32,000 for increases in Worker's Compensation benefits.

Employee Benefit Disbursements

The Governor recommends $6,352,840 increased OASDHI contributions; $21,265,562 to raise the state's contribution to employees retirement to 12% of total salaries; $1,638,000 increased unemployment benefits.

Administration Disbursements

The Governor recommends an additional $700,000 to reimburse local governments for costs in criminal cases; and $4,800 for increased dues paid to the Compact for Education.

JUDICIARY

FINANCIAL SUMMARY

	EXPENDITURE FY 1981	PLANNED FY 1982	REQUEST FY 1983	GOVERNOR RECOMMENDS
Judicial Proceedings and Review	$ 1,737,204	$ 1,710,183	$ 2,114,971	$ 2,114,971
State Courts Administrator	1,532,665	1,420,059	1,686,106	1,595,993
Circuit Courts	19,946,274	33,079,665	37,103,030	35,293,432
Committee on Retirement, Removal and Discipline of Judges	44,106	80,865	83,326	82,451
Appellate Judicial Commission	0	5,000	5,000	5,000
Public Defender Commission	3,443,395	4,090,974	4,986,039	4,986,039
Court of Appeals	3,721,345	3,800,263	4,228,370	4,228,370
Detention Facilities Commission	0	0	149,838	149,838
TOTAL	$ 30,424,989	$ 44,187,009	$ 50,356,680	$ 48,456,094
General Revenue Fund	30,225,339	44,018,009	50,121,068	48,220,482
Federal Funds	199,650	150,000	150,000	150,000
Supreme Court Publications	0	19,000	85,612	85,612
Full-time equivalent employees	1216.36	2306.7	2476.36	2369.73

POLICY SUMMARY

The Governor recommends $48,456,094 to fund the state's court system during Fiscal Year 1983. This recommendation includes funding at the Judiciary's current expenditure level of $44,187,009 less $50,000 which is eliminated from the Supreme Court budget because of the retirement of a commissioner and the subsequent termination of that position, and less $4,500 which is eliminated from the Eastern District Court of Appeals budget as a result of position reclassification.

The Governor recommends $4,323,585 in additional expenditures for the Judiciary during the coming fiscal year. Several of these recommendations, however, are contingent upon passage of Senate Bill 497 during the Second Regular Session of the 81st General Assembly. In its present form, the bill contains measures which would affect state expenditures: a cost-of-living mechanism for statutory judicial salaries; two new commissions; a jurisdictional change for the small claims court; and increased state reimbursement for counties housing juveniles in detention. S.B. 497 also provides for increases in certain court fees, a measure which is expected to generate significant new state and local revenue. Should that bill pass in its current form, the Governor recommends $1,153,926 to fund the cost of these legislative items which accrue to the Judiciary's budget.

Also recommended are $503,073 to cover the cost of statutorily required expenditures. These include: installing and equipping new judges and their staff members in the Western and Eastern districts of the Court of Appeals (Section 477.152 RSMo.); installing and equipping new judges and staff members in the 13th, 43rd and 44th judicial circuits (S.B. 24, enacted in 1981, and Section 478.320 RSMo.); adjusting the salaries, as a result of county population and assessed valuation changes, of circuit clerks (Section 483.083 RSMo.); compensating certain clerks for economic hardship experienced during their conversion to state employment last year (Sections 104.310 and 476.585 RSMo.); and opening new public defender offices in the 17th and 26th judicial circuits (Section 600.010 RSMo.).

The Governor recommends an additional $678,959 to operate the combined Public Defender/Appointed Counsel program during Fiscal Year 1983. These expenditures also might be affected by legislation under consideration during the second regular session. House Bill 1169 provides for the elimination of appointed counsel and the reorganization of a more flexible public defender system. Passage of H.B. 1169 in its present form would affect the scope of public defender appropriations.

Other recommendations include $1,401,603 for the Governor's pay plan for judicial employees whose salaries are not set by statute and $569,024 for operating increases, program expenses and other salary adjustments. Finally, the Governor recommends an additional $17,000 for the Supreme Court Publications Revolving Fund. It should be noted that the total recommendation for the Revolving Fund reflects funding at the current level of $19,000, the additional $17,000 noted above and a $49,612 transfer from the General Revenue Fund to the Revolving Fund.

DEPARTMENT OF AGRICULTURE

FINANCIAL SUMMARY

	EXPENDITURE FY 1981	PLANNED FY 1982	REQUEST FY 1983	GOVERNOR RECOMMENDS
Office of the Director	$ 1,698,990	$ 2,069,901	$ 2,082,553	$ 1,965,305
Division of Agricultural Development	589,399	704,536	821,347	750,892
Division of International Marketing	308,454	357,544	396,240	396,240
Division of Animal Health	2,132,851	2,245,083	2,758,334	2,407,497
Division of Grain Inspection, Weighing and Warehousing	1,915,101	2,152,358	2,648,948	2,521,283
Division of Plant Industries	961,000	925,837	1,299,124	1,082,964
Division of Weights and Measures	1,091,237	1,031,734	1,239,162	1,153,764
Division of State Fairs	1,980,742	1,738,777	1,892,827	1,659,450
State Milk Board	1,197,804	1,252,162	1,453,966	1,453,966
Agriculture Emergency Program	131,524	131,411	158,702	143,302
DEPARTMENTAL TOTAL	$ 12,007,102	$ 12,609,343	$ 14,751,203	$ 13,534,663
General Revenue Fund	6,656,599	6,475,450	7,762,420	6,596,077
Federal Funds	208,625	351,644	433,881	433,881
Commodity Council Merchandising Fund	1,005,725	1,290,641	1,289,766	1,289,766
Highway Department Funds	211,839	230,718	255,979	255,979
Grain Inspection Fee Fund	1,500,762	1,722,886	2,077,906	2,077,906
Agricultural Emergency Fund	131,524	131,411	158,702	143,302
Apple Merchandising Fund	8,598	16,020	16,020	16,020
State Fair Fees Fund	1,082,786	1,130,911	1,235,063	1,200,266
State Fair Trust Fund	2,840	7,500	7,500	7,500
Milk Inspection Fees Fund	1,197,804	1,252,162	1,453,966	1,453,966
Marketing Development Fund	0	0	60,000	60,000
Full-time equivalent employees	446.25	412.25	438.59	418.25

POLICY SUMMARY

Major Recommendations

The Governor's recommendations provide several increases to expand Missouri's agricultural marketing opportunities:

- $60,000 in market development funds to further develop the economic potential of Missouri's agriculture and agribusiness. Private sector contributions will offset costs of world trade missions and will allow for cooperative marketing activities in livestock and speciality crops.

- $34,000 in general revenue for one marketing specialist to initiate the Missouri Gold Label program. This program is designed to improve the marketability of Missouri's feeder cattle through a cooperative informational effort with livestock producers and organizations.

- $27,834 in general revenue for an international marketing specialist to work out of the Jefferson City office. This approach provides flexibility to respond to changes in foreign marketing opportunities.

The Governor recommends $50,000 in general revenue funds to make available emergency funds in the event an infestation of gypsy moths occurs in Missouri. Any necessary control measures will be coordinated with the Department of Conservation.

The Governor recommends a core reduction of $165,784 from general revenue from the Aid to Fairs Premiums program. This reduction includes $128,960 for premiums, $28,634 in personal services for 1.75 FTE to administer the program and $8,190 in expense and equipment. The Governor's recommendation continues $100,000 in general revenue to supplement the premium payments for 4-H and Future Farmers of America events at county fairs and various achievement days around the state. The diminished benefit of the program due to inflation and higher priorities for general revenue funds necessitate this action.

DEPARTMENT OF CONSERVATION

FINANCIAL SUMMARY

	EXPENDITURE FY 1981	PLANNED FY 1982	REQUEST FY 1983	GOVERNOR RECOMMENDS
Administration and Support Services	$ 11,391,070	$ 12,507,529	$ 13,624,412	$ 13,626,412
Protection	4,029,228	4,349,206	4,641,740	4,642,432
Wildlife	3,626,368	4,493,901	4,844,996	4,846,166
Fisheries	4,022,053	4,597,178	4,970,367	4,972,479
Forestry	5,538,789	6,256,332	6,719,054	6,721,172
TOTAL	$ 28,607,508	$ 32,204,146	$ 34,800,569	$ 34,808,661
Personal Service	$ 17,947,425	$ 19,383,691	$ 21,184,158	$ 21,192,250
Expense and Equipment	10,660,083	12,820,455	13,616,411	13,616,411
TOTAL				
Conservation Fund	$ 28,607,508	$ 32,204,146	$ 34,800,569	$ 34,808,661
Full-time equivalent employees	1,375.10	1,374.10	1,374.10	1,374.10

POLICY SUMMARY

The Governor recommends an additional $626,000 in expense and equipment to manage new lands acquired under the Design for Conservation program and to maintain services provided by the department. The Design program is funded by receipts from the one-eighth of one percent sales tax approved by Missouri voters in 1976. Three areas of advancement were identified in the public initiative: acquisition of conservation lands, public services such as information and education, and management and research activities. Since July 1, 1977, the Conservation Commission has approved purchases of 102,761 acres of land at a total cost of $65,515,715. The Governor's recommendation reflects a shift from previous levels of land acquisition to development and management of acquired properties as requested by the Department.

The Governor's recommendation includes $400,000 for payments to counties in lieu of real property taxes for privately-owned lands acquired by the Conservation Commission after July 1, 1977, and for lands classified as forest cropland.

The Governor also recommends that the Conservation Commission participate in any effort that may become necessary to control a gypsy moth infestation in Missouri. It is further recommended that control measures be coordinated with the Department of Agriculture.

DEPARTMENT OF NATURAL RESOURCES

FINANCIAL SUMMARY

	EXPENDITURE FY 1981	PLANNED FY 1982	REQUEST FY 1983	GOVERNOR RECOMMENDS
Office of the Director	$ 629,479	$ 697,813	$ 225,127	$ 225,355
Division of Management Services	925,290	841,543	1,411,965	1,411,566
Division of Environmental Quality	26,564,293	33,769,871	36,099,342	35,014,238
Division of Geology and Land Survey	2,864,643	2,912,994	3,196,743	2,959,961
Division of Parks and Historic Preservation	14,878,101	14,227,309	15,567,396	15,064,879
Division of Energy	14,756,128	20,696,491	20,760,732	20,755,404
TOTAL	60,617,934	73,146,021	77,261,305	75,431,403
General Revenue Fund	14,524,208	12,307,709	16,295,209	11,543,464
Federal Funds	29,164,192	44,193,605	47,492,496	48,435,854
Document Services Fund	56,988	238,615	238,615	238,615
Water Pollution Control Fund	16,395,751	15,631,000	12,000,000	12,000,000
Clean Water Commission Fund	44,900	72,476	76,521	77,289
Hazardous Waste Fund	0	60,000	139,799	165,098
Mine Land Reclamation Fund	230,459	413,273	480,371	472,043
State Parks Earnings Fund	0	0	0	2,262,856
State Parks Revolving Fund	36,087	40,000	342,110	40,000
Babler State Park Fund	165,349	189,343	196,184	196,184
Full-time equivalent employees	1,083.53	1,066.20	1,148.75	1,104.95

POLICY SUMMARY

Major Recommendations

The Governor recommends a reduction of $450,000 in general revenue for water supply and sewer system grants, and $450,000 in general revenue for stormwater control projects. Higher priorities for general revenue and potential federal funding for stormwater projects warrant this action.

The Governor recommends $1,000,000 in general revenue to initiate a state-funded soil erosion control cost-share program as authorized by Chapter 278 of the Missouri statutes. Through this program, farmers may receive partial reimbursement for costs of adopting soil conservation practices or projects. Funds will be allocated to cooperating Soil and Water Conservation Districts according to the severity of erosion and potential benefits to be gained from soil erosion control. Allocation criteria shall be defined by the Soil and Water Districts Commission. The Governor also recommends $1,000,000 in federal cost-share funds, which Missouri may be entitled to receive as match to the state-funded program. Provision of these financial incentives to farmers will help safeguard the productivity of Missouri's agricultural economy and resource base.

Certain industrial waste disposal sites in Missouri pose serious threats to the health of its citizens and the environment. The Governor recommends $3,000,000 in federal grants and $150,000 in general revenue matching funds under the federal "Superfund" program. Funds will be used to secure contracts for the cleanup of disposal sites identified as hazardous and for which no responsible party can be found. The Governor's recommendation also provides $28,138 for 1 environmental specialist to oversee cleanup operations and contractual expenditures. In a related measure, the Governor recommends an additional $76,360 and 3 staff to monitor shipments of hazardous wastes across Missouri and to increase surveillance of hazardous waste generators, transporters, and disposal facilities.

The Governor recommends that park revenues, deposited in the State Parks Earnings Fund, help defray the costs of operating and maintaining the state parks and historic sites system. Accordingly, $1,653,746 in general revenue for core expenditures is replaced by earnings funds. The Governor also recommends an additional $302,110 for collection of fees; $118,049 and 12 staff to open seven historic sites and to provide essential maintenance services; and $188,951 to purchase vehicle equipment needed throughout the park system.

DEPARTMENT OF CONSUMER AFFAIRS, REGULATION AND LICENSING

FINANCIAL SUMMARY

	EXPENDITURE FY 1981	PLANNED FY 1982	REQUEST FY 1983	GOVERNOR RECOMMENDS
Administrative Services	$ 664,957	$ 607,185	$ 628,049	$ 584,868
Regulatory Programs	12,412,175	13,431,378	16,625,232	14,842,623
Community and Economic Development Programs	7,095,730	7,750,289	33,654,253	34,173,727
Professional Registration Boards	2,429,504	2,544,149	3,826,124	3,608,568
DEPARTMENTAL TOTAL	$ 22,602,366	$ 24,333,001	$ 54,733,658	$ 53,209,786
General Revenue Fund	13,566,634	12,949,899	14,737,453	14,938,489
Federal Funds	1,236,686	2,149,879	26,848,667	26,848,667
Other Funds	7,799,046	9,233,223	13,147,538	11,422,630
Full-time equivalent employees	832.41	773.66	869.53	826.68

POLICY SUMMARY

Major Recommendations

The Governor's budget recommendation for the Department of Consumer Affairs, Regulation and Licensing presents a comprehensive economic development strategy. The recommendations continue emphasis on a national marketing campaign to attract new business and job opportunities to Missouri. The recommendations also address other equally productive components of a total economic development strategy: international business development, community development, and tourism.

The Governor recommends an additional $690,021 and 3 project managers for the national marketing program within the Division of Commerce and Industrial Development. $437,798 of the total is recommended for the Division's advertising campaign to promote Missouri's business advantages in national publications.

The Governor recommends an additional $64,515 to establish a small business assistance office within the Division of Commerce and Industrial Development. The additional staff person will provide information regarding licenses and permits required to establish or expand a business in Missouri. Staff will also review existing and proposed regulations to determine effects on small businesses.

The Governor recommends an additional $323,337 to improve operations at the state's Duesseldorf office. The additional funds will build upon recent progress made in expanding Missouri exports to European countries. During the past year, the Duesseldorf office has assisted 700 firms. The number assisted can be tripled with these additional funds for trade show participation, travel, and overseas advertising.

Marketing analyses and preliminary impact trips to Japan indicate a demand can be created in the Far East for Missouri products and plant sites. The Governor recommends $302,000 to establish a state office in Japan to develop these markets. Based on other states' experiences, the return measured by new jobs created will greatly offset our investment.

Legislation passed by Congress in 1981 transfers administration of the Small Cities Community Development Block Grant Program to states, which are closer and more responsive to the needs of their communities. The Governor recommends an appropriation of $25 million to enable the Division of Community Development to accept the federal grant. An additional $300,000 and 12 staff are recommended to administer the program. The staff will work with a 20-member advisory council to allocate the block grant funds.

Tourism is one of Missouri's largest industries and contributes substantially to the state's economic development. Last year tourism contributed $150 million in local and state tax revenues and provided 100,000 jobs. The Governor recommends an additional $200,000 for the Division of Tourism advertising and printing budgets to further develop Missouri's tourism industry.

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

FINANCIAL SUMMARY

	EXPENDITURE FY 1981	PLANNED FY 1982	REQUEST FY 1983	GOVERNOR RECOMMENDS
Departmental Administration	$ 392,349	$ 393,891	$ 470,248	$ 404,983
Division of Labor Standards	855,823	858,303	1,105,078	905,061
State Board of Mediation	45,037	46,702	57,119	51,371
Division of Workers' Compensation	4,356,649	4,397,243	5,400,250	5,138,950
Division of Employment Security	69,874,311	64,909,356	68,444,345	64,212,118
Governor's Committee on Employment of the Handicapped	127,942	122,280	134,248	128,068
DEPARTMENTAL TOTAL	$ 75,652,111	$ 70,727,775	$ 75,611,288	$ 70,840,551
General Revenue Fund	805,655	1,189,080	1,357,880	1,230,721
Federal Funds	70,432,739	64,571,649	67,522,118	63,146,786
Workmen's Compensation Fund	2,663,728	2,717,046	2,901,514	2,883,268
Second Injury Fund	1,749,989	1,750,000	2,250,000	2,000,000
Special Employment Security Fund	0	500,000	1,252,148	1,252,148
Crime Victims Compensation Fund	0	0	327,628	327,628
Full-time equivalent employees	2,908.08	2,972.00	2,887.37	2,875.37

POLICY SUMMARY

MAJOR RECOMMENDATIONS

Division of Workers' Compensation. House Bill 41 and Senate Bill 382, enacted by the 81st General Assembly, Second Regular Session, imposed additional duties on the Division of Workers' Compensation. To accomodate those additional duties, the Governor recommends funding increases of $327,628 and 1.37 FTE to compensate victims of crime as authorized by H.B. 41 and $38,396 and 2.00 FTE to administer a group self-insurance program designed to aid small employers authorized by S.B. 382. The Governor also recommends an addition of $250,000 to the Second Injury Fund for increased compensation levels provided under H.B. 324.

Division of Employment Security. The Governor recommends an increase of $934,942 to the Division of Employment Security to maintain an employee health insurance plan.

DEPARTMENT OF HIGHWAYS AND TRANSPORTATION

FINANCIAL SUMMARY

	EXPENDITURE FY 1981	PLANNED FY 1982	REQUEST FY 1983	GOVERNOR RECOMMENDS
Highway Administration	$ 27,735,535	$ 32,120,126	$ 33,669,072	$ 33,669,072
Highway Construction and Maintenance	407,925,388	400,000,000	419,000,000	419,000,000
Mississippi River Parkway Commission	7,179	11,250	11,250	11,250
Non-Highway Transportation Administration and Programs	6,539,016	17,445,685	20,803,961	18,384,849
Missouri-St. Louis Metropolitan Airport Authority	264,437	288,748	158,438	158,438
DEPARTMENTAL TOTAL	$ 442,471,555	$ 449,865,809	$ 473,642,721	$471,223,609
General Revenue Fund	2,910,003	2,990,204	6,056,127	3,660,015
Federal Funds	3,338,858	13,053,229	12,838,129	12,838,129
Highway Department Fund	27,735,535	32,120,126	33,669,072	33,669,072
State Road Fund	407,925,388	400,000,000	419,000,000	419,000,000
State Transportation Fund	410,000	387,000	410,000	387,000
Aviation Trust Fund	23,021	269,000	266,000	266,000
Other (Local) Funds	128,750	1,046,250	1,403,393	1,403,393
Full-time equivalent employees	6,134.5	6,002.0	6,172.0	6,172.0

DEPARTMENT OF PUBLIC SAFETY

FINANCIAL SUMMARY

	EXPENDITURE FY 1981	PLANNED FY 1982	REQUEST FY 1983	GOVERNOR RECOMMENDS
Office of the Director	$ 4,531,222	$ 4,028,689	$ 4,177,097	$ 4,174,451
State Highway Patrol	45,429,111	45,575,925	54,000,574	49,756,500
Division of Water Safety	1,620,535	1,490,608	1,620,488	1,605,917
Division of Liquor Control	1,718,724	1,617,853	1,804,891	1,747,419
State Fire Marshal	517,636	469,674	516,940	509,208
Division of Highway Safety	5,078,729	5,618,655	5,645,323	5,641,041
Adjutant General	11,609,778	12,701,427	13,348,329	12,932,308
TOTAL	$ 70,505,735	$ 71,502,831	$ 81,113,642	$ 76,366,844
General Revenue Fund	10,469,697	10,215,144	12,877,344	12,189,228
Federal Funds	15,172,868	16,421,070	16,625,677	16,647,374
Highway Department Fund	43,290,294	43,048,892	49,659,251	45,619,191
Highway Patrol Academy Fund	44,274	100,000	109,691	109,691
Missouri Veterans Home Fund	1,528,602	1,717,725	1,841,679	1,801,361
Full-time equivalent employees	2,533.90	2,430.25	2,482.25	2,445.25

POLICY SUMMARY

MAJOR RECOMMENDATIONS

Director's Office

The Governor recommends $90,000 to provide assistance to victims of crime according to the provisions of House Bills 41, 319 et. al. (81st General Asssembly).

Highway Patrol

The Governor recommends the creation of a new Special Investigations unit within the Patrol. The recommendation includes the transfer of 35 employees and $841,896 from the enforcement program, plus the addition of nine new employees and $682,646.

The Governor also recommends a change in the Patrol's method of reimbursement for meal allowances. In accordance with the recommendations of the Office of Administration and the State Auditor, a total of $812,502 is transferred from the expense and equipment category to the personal service category.

In addition, the Governor recommends an increase of $366,351 for the vehicle replacement program.

Water Safety

The Governor recommends the addition of four water patrolmen and $31,002 in response to increased agency workloads.

Adjutant General

The Governor recommends the elimination of $369,700 for the National Guard reenlistment bonus.

In addition, the Governor recommends the addition of the Contract Services program. This program reflects state-federal contractual agreements governing the operation and maintenance of National Guard facilities.

DEPARTMENT OF CORRECTIONS AND HUMAN RESOURCES

FINANCIAL SUMMARY

	EXPENDITURE FY 1981	PLANNED FY 1982	REQUEST FY 1983	GOVERNOR RECOMMENDS
Office of the Director	$ 388,741	$ 1,213,062	$ 2,984,166	$ 2,606,118
Division of Administration	0	0	818,296	818,296
Division of Adult Institutions	39,759,374	44,699,228	50,125,517	47,597,950
Division of Probation and Parole	9,951,900	9,317,649	10,821,619	10,605,203
DEPARTMENTAL TOTAL	$ 50,100,015	$ 55,229,939	$ 64,749,598	$ 61,627,567
General Revenue Fund	42,892,915	46,424,497	55,613,670	52,491,638
Federal Funds	984,627	1,218,463	1,377,759	1,377,759
Working Capital Revolving Fund	6,222,473	7,586,979	7,758,169	7,758,170
Full-time equivalent employees	2,441.13	2,552.57	2,598.13	2,592.13

POLICY SUMMARY

Major Recommendations

The Governor recommends a core reduction of $1,832,817 which was appropriated in Fiscal Year 1982 to finance "carry-over" expenses from Fiscal Year 1981.

The Governor recommends a restoration of core funds for Probation and Parole totaling $1,069,468.

The Governor recommends a restoration of core funds for the Division of Adult Institutions totaling $3,295,704.

The recommendation provides full year funding for the Chillicothe and Maximum Security facilities at a total additional cost of $592,005.

The Governor recommends an increase of $921,426 for additional halfway house placements.

The Governor also recommends $126,472 for creation of the new department director's office.

DEPARTMENT OF MENTAL HEALTH

FINANCIAL SUMMARY

	EXPENDITURE FY 1981	PLANNED FY 1982	REQUEST FY 1983	GOVERNOR RECOMMENDS
Central Office	$ 55,901,000	$ 67,346,654	$ 90,779,471	$ 72,282,668
Alcohol and Drug Abuse	5,738,327	4,592,430	5,184,229	5,118,811
Comprehensive Psychiatric Services	96,765,086	88,512,793	106,589,898	97,828,878
Mental Retardation/Developmental Disabilities	69,035,900	62,012,417	75,804,816	67,810,726
DEPARTMENTAL TOTAL	$227,440,313	$222,464,294	$278,358,414	$243,041,083
General Revenue Fund	206,975,049	200,840,902	256,637,526	212,593,919
Federal Funds	20,424,452	20,623,392	20,520,888	20,520,888
Mental Health Trust Fund	40,812	1,000,000	1,200,000	1,000,000
Mental Health Earnings	0	0	0	8,926,276
Full-time equivalent employees	11,894.57	10,625.57	11,526.27	10,890.54

POLICY SUMMARY

Budgeting Earnings. Public mental health facilities were once the only means to care for the mentally ill and retarded, and full public subsidies to those facilities were the only means for financing such care. A growing array of mental health services is now complemented by the availability of such alternative payment mechanisms as Medicare, Medicaid, and private insurance. Many individuals and families also have the capacity to pay at least a portion of the costs for mental health care.

Mental health earnings presently go to the Treasury, and thus offset part of the general revenue subsidy for facility-based care. The linkage between earnings and costs has been indirect, however, too easily overlooked in the midst of concern over rising costs, and too remote from the day-to-day concerns of program managers to warrant their close and careful attention. Earnings efforts by the facilities have thus varied enormously and, on the average, been less than optimal. The net result is direct and unnecessary cost to the taxpayer.

The Governor accordingly recommends that beginning in Fiscal Year 1983 earnings be appropriated to the facilities in lieu of general revenue. This step will involve an aggregate of $7,031,969, reflecting anticipated earnings from third-party payors and private-pay patients. The earnings amount for each facility will replace a part of the core general revenue and be used for specified increase items. This will provide the facilities a built-in incentive for an optimal earnings effort. An additional $1.9 million from earnings will pay for expansion items.

Nevada/Southwest Facility. The state currently maintains a commitment to a range of facility-based services in several program areas which is inefficient, sometimes ineffective, and more and more costly. Treatment modalities and service needs have shifted away from what were once exclusively facility-based programs. Funding arrangements have evolved which permit individualized assistance in a variety of settings. Community-based resources and agencies have evolved to meet much of the need the facilities once served. At the same time that other needs for facility-based services go unmet for lack of space, existing facilities are underutilized.

A first step toward efficient and effective use of state facilities was taken in Fiscal Year 1982 with the closing of the School for Girls in Chillicothe and transformation of the facility into a minimum security facility for women.

As a second step, the Governor recommends closing the Nevada State Psychiatric Hospital and establishing a new psychiatric facility in a portion of the State Chest Hospital at Mount Vernon.

The Nevada Psychiatric program has declined over the years as the State School and Hospital program has expanded. The State Hospital now consists of 3 buildings, one of which is widely separated from the rest, and has a patient population of only 138. It is also too distant from the population it is meant to serve, the growing southwestern part of the state. Removal of the psychiatric program will enable the State School and Hospital to make better use of the physical plant.

The Governor recommends the reallocation of $1,045,970 from the current core budget of the Nevada State Hospital for the establishment of a community mental health center on the Nevada grounds.

The State Chest Hospital occupies an excellent modern structure which is underutilized. The patient population has declined over the years, and there are currently 175 patients in a physical plant capable of serving 387. In the instance of the Chest Hospital, the major change has been the decline in the incidence of tuberculosis, treatment of which was its original mission. The Hospital has broadened its role to the treatment of other chest ailments, but in so doing has not been able to use the full capacity of its physical plant.

It thus represents an available, at least interim, site for mental health services close to the population to be served. Because the facility is fully certifiable for Medicare and Medicaid, the Department of Mental Health will reassign its patient population to concentrate certified patients in the southwest facility, for a net gain in Medicare/Medicaid earnings.

The general revenue increase caused by these changes will be offset by the anticipated increase in Medicare/Medicaid earnings.

Children and Youth. The Governor recommends an increase of $600,000 in the Alcohol Drug Abuse Program for Children and Youth. This increase will be targeted to 3 program areas: The treatment and prevention of youth substance abuse through purchase of services in the community; expansion of the program to reduce the fetal alcohol syndrome, in which drinking during pregnancy results in birth defects; and services oriented toward drinking problems on the part of women who are in the home, which leads to a lack of good child care and parenting and, in some cases, to family break-ups.

DEPARTMENT OF SOCIAL SERVICES

FINANCIAL SUMMARY

	EXPENDITURE FY 1981	PLANNED FY 1982	REQUEST FY 1983	GOVERNOR RECOMMENDS
Departmental Administration	$ 14,736,146	$ 14,007,423	$ 14,845,407	$ 14,297,304
Division of Family Services	764,624,947	831,944,878	862,732,907	858,973,811
Division of Aging	34,338,513	42,932,226	39,546,995	38,981,923
Division of Health	70,120,533	78,776,125	86,800,665	95,216,821
Division of Youth Services	12,842,570	11,301,198	13,182,220	13,176,547
Division of Manpower Planning	36,574,499	48,718,754	48,827,952	48,782,190
TOTAL	$933,237,208	$1,027,680,604	$1,065,936,146	$1,069,428,596
General Revenue Fund	370,695,319	376,830,641	407,693,682	403,931,080
Federal Funds	542,928,357	624,319,756	629,540,155	637,987,135
Other Funds	19,613,532	26,530,207	28,702,309	27,510,381
Full-time equivalent employees	8,670.06	8,198.86	8,371.56	8,281.56

POLICY SUMMARY

Children's Budget Initiative

One of the Governor's highest priorities is proper nurturing, support and education of children. Missouri, through the Division of Family Services, Division of Youth Services and Division of Health, provides for the well-being of children through foster care, residential treatment, aftercare, and maternal and child health programs. Due to increased caseloads, dwindling resources and complexity of family problems these systems require a major upgrading effort, including additional resources for existing treatment approaches and funds for alternative treatment modalilties. The goal of these changes will be to reduce the number of children under the state's supervision by providing services which will allow families in crisis to remain together; to achieve permanent foster care or adoption placements for children in the state's charge; and to insure the health of new born infants. The Governor recommends the following measures to strengthen the state's services to children:

An increase of $1,252,196 in general revenue to the Divisions of Family Services and Youth Services for a program of comprehensive home-based services, including assignment of homemakers to teach families proper homemaking skills, use of short-term therapeutic counseling and treatment (family therapy), short-term removal of a child from the home for a short time during a period of family crisis (respite care), and counseling for individual family members.

An increase of $680,071 in general revenue to provide a child with therapeutic treatment during the day while he or she continues to reside with the natural or foster family.

An addition of $410,000 in general revenue to provide grants to local units of government and community based organizations to build the capacity to address problems of children and families on a local level.

An addition of $31,578 in general revenue and 2.0 FTE to coordinate a program of volunteer parent aides who would develop long-term informal relationships with parents experiencing problems and would serve as role models for those parents.

An addition of $27,878 in general revenue and 1.0 FTE to the Division of Youth Services and a reallocation of training funds in the Division of Family Services to provide training to foster parents and foster care staff.

An addition of $2,068,728 in general revenue to provide an average increase of 25% in foster care payments to foster care families. These new rates more accurately reflect the cost of raising a child.

An addition of $1,500,000 to the Local Health program will allow staffing of a maternal and child health nurse in every county.

The Governor recommends $5,970,451 in total funding for the measures outlined above

Medicaid Cost Increases

The increased costs of hospital care and growth of nursing home beds continue to drive costs of the Medicaid program higher. The Governor has taken major steps during Fiscal Years 1981 and 1982 to restrain Medicaid costs, including introduction of new reimbursement plans for hospitals and nursing homes, revision of the pharmacy program, and elimination of some optional services or their subjection to co-pay requirements. Even with these actions, the Medicaid program continues to grow. The Governor recommends an additional $61,997,616 ($25,450,346 in general revenue) to accommodate the increased utilization and cost of Medicaid services. Included in this amount are $1,412,700 ($565,080 in general revenue) to provide personal care services authorized by Senate Bill 63 and $350,000 ($145,150 general revenue) to provide for administration of a program of second opinions for elective surgery as mandated by House Bill 901.

Medical Services Administration

Further efforts are needed to contain costs of the Medicaid program. These include ensuring that providers and recipients use the program and its procedures efficiently and appropriately, requiring insurers and other third parties to meet their liabilities for health care services to Medicaid recipients, and development of new and innovative reimbursement methods. The Governor, therefore, recommends an additional 24 FTE and $792,560 ($396,280 in general revenue), of which $200,000 ($100,000 in general revenue) will fund an actuarial study to improve the state's ability to forecast Medicaid service needs and costs. Funds appropriated for the Medicaid Management Information System will be reduced to pay for these increases.

Child Support Enforcement

An integral part of the Governor's Children's Initiative is expansion and strengthening of the state's effort to enforce the payment of child support by absent parents. To that end, his recommendations include an additional 83 FTE for increased operations, investigations, and collections, at a cost of $1,210,501 ($302,626 in general revenue), fees for the state's participation in a federal program to intercept federal income tax returns, increased federal funding to reimburse counties for their efforts to enforce child support payments and for incentive payments to counties for collection of child support payments owed to former AFDC recipients. Child support collections will also be used in place of other general revenue funds to finance the operation of the

Child Support Enforcement program and to defray partial costs of the AFDC program. The total amount of child support collections returned to the state will approximate $4,574,734. Child support collections returned to the state will offset $1,069,379 in general revenue expenses of program recipients.

Teleprocessing

The Department has been relying on greater use of automation to make its operation more cost-effective. Funding reductions at the state and federal level make this effort even more imperative. The Governor thus recommends an increase of $602,679 ($301,339 in general revenue) to provide 294 new teleprocessing devices, of which 220 devices will be allocated to the Income Maintenance program and will provide automated capabilities to all but 32 county offices. The Governor also recommends $492,702 ($246,350 general revenue) to increase the central processing capacity of the division by 50% and meet inflationary increases on equipment and communication lines.

Income Maintenance

Both state and federal governments have experienced rising caseloads for income maintenance programs at a time when revenues were tight. In response to this situation the federal government has imposed, on recipients of Aid to Families with Dependent Children, stiffer eligibility requirements which will eliminate 9,000 families from the program and reduce grants to 3,000 additional families. House Bill 901, passed in the last session, will also reduce the General Relief caseload by 1,000 cases and cut the funding requirements of the Nursing Care program. Funding requirements of the Adult Supplementation program continue to decline as no new cases can be added to that program. To reflect these changes, the Governor recommends funding reductions of $30,949,858 ($13,326,450 in general revenue) from the AFDC program, $823,731 general revenue the General Relief program, $3,450,000 general revenue for the Nursing Care program, and from $1,272,612 general revenue from the Adult Supplementation program.

The Governor recommends a 5% increase in payment levels to AFDC recipients to help meet rising costs. This will offset the AFDC funding reduction by $8,153,574 ($3,230,446 general revenue). He further recommends an increase of $253,306 (Blind Pension Fund) to raise Blind Pension payments from $175 to $200, as mandated by House Bill 360, and $356,010 in federal funds to meet rising caseloads in the Refugee Assistance program.

Aging Prescreening Pilot Project

The Governor recommends an increase of $1,391,977 ($613,612 in general revenue) and 6 FTE to the Division of Aging to test the effectiveness of nursing home prescreening and the targeting of social and non-institution services. There will be three pilot sites, rural, urban and metropolitan, that will ensure the elderly are maintained either in their own home or in the least restrictive environment at the lowest cost to themselves, their families, and the state.

GENERAL ASSEMBLY

FINANCIAL SUMMARY

	EXPENDITURE FY 1981	PLANNED FY 1982	REQUEST FY 1983	GOVERNOR RECOMMENDS
Expenses of the Senate	$ 4,273,869	$ 4,861,232	$ 5,095,521	$ 5,095,521
Expenses of the House of Representatives	7,002,924	7,248,712	7,806,986	7,776,970
Missouri Commission on Interstate Cooperation	114,594	133,540	144,032	144,032
Committee on Legislative Research	500,103	507,164	539,343	539,343
Publishing Revised Statutes	57,275	110,000	140,000	140,000
Committee on Fiscal Affairs	223,736	269,299	284,112	284,112
Interim Committees of the General Assembly	17,511	42,250	42,250	42,250
TOTAL	$ 12,190,012	$ 13,172,197	$ 14,052,244	$ 14,022,228
General Revenue Fund	12,181,819	13,107,197	13,987,244	13,957,228
Federal Funds	7,359	50,000	50,000	50,000
House of Representatives Revolving Fund	834	15,000	15,000	15,000
Full-time equivalent employees	580.99	603.36	605.36	603.36

CAPITAL IMPROVEMENTS
POLICY SUMMARY

The Governor recommends $59,129,664 for capital improvements to state-owned facilities. This total includes $16,311,714 for repair and continuing or preventive maintenance projects and $42,817,950 for planning, major renovations, new construction and land improvements or acquisition projects.

The Governor believes that safety of personnel and property must be the highest priority in capital improvements projects. These recommendations reflect this priority as well as court-ordered and mandated standards, projects essential to the support of departmental operations and the continuation of essential ongoing construction.

CAPITAL IMPROVEMENTS
DEPARTMENTAL SUMMARY

	REQUEST FY 1983	GOVERNOR RECOMMENDS
Department of Elementary and Secondary Education		
Missouri School for the Deaf	$ 569,114	$ 192,134
Missouri School for the Blind	138,541	97,272
State Schools for the Severely Handicapped	950,754	844,301
TOTAL	$ 1,658,409	$ 1,133,707
General Revenue Fund		1,133,707
Department of Higher Education		
Central Missouri State University	$ 1,784,330	$ 91,800
Harris-Stowe State College	3,710,714	209,657
Lincoln University	7,008,989	216,993
Missouri Southern State College	1,747,414	58,264
Missouri Western State College	6,095,125	137,775
Northeast Missouri State University	24,465,208	123,404
Northwest Missouri State University	762,882	323,952
Southeast Missouri State University	7,150,121	150,730
Southwest Missouri State University	471,989	203,425
University of Missouri-Columbia, Kansas City, Rolla, St. Louis	46,702,641	2,558,013
University of Missouri-Hospital	8,143,494	337,306
TOTAL	$108,042,907	$ 4,411,319
General Revenue Fund		4,411,319
Office of Administration		
Division of Design and Construction	$ 6,449,826	$ 2,464,045
Unprogrammed Requirements - All Departments	566,000	400,000
Handicapped Access - All Departments	1,000,000	1,000,000
TOTAL	$ 8,015,826	$ 3,864,045
General Revenue Fund		3,864,045
Department of Conservation	$ 25,000,000	$ 25,000,000
TOTAL	$ 25,000,000	$ 25,000,000
Conservation Fund		25,000,000
Department of Agriculture		
Missouri State Fair	$ 378,679	$ 87,326
TOTAL	$ 378,679	$ 87,326
General Revenue Fund		87,326
Department of Natural Resources		
Division of Geology and Land Survey	$ 86,107	$ 128,818
Division of Parks and Historic Preservation	8,060,950	3,678,225
TOTAL	$ 8,147,057	$ 3,807,043
General Revenue Fund		628,818
State Park Earnings Fund		2,109,000
Federal Land and Water Conservation Fund		419,225
Revenue Bonds		650,000

CAPITAL IMPROVEMENTS
DEPARTMENTAL SUMMARY (Continued)

	REQUEST FY 1983	GOVERNOR RECOMMENDS
Department of Consumer Affairs, Regulation and Licensing		
Division of Tourism	$ 1,600,000	$ 0
TOTAL	$ 1,600,000	$ 0
Department of Labor and Industrial Relations		
Division of Employment Security	$ 1,193,103	$ 366,537
TOTAL	$ 1,193,103	$ 366,537
Federal Funds	1,193,103	366,537
Department of Highway and Transportation		
Division of Maintenance and Traffic	$ 228,200	$ 228,200
TOTAL	$ 228,200	$ 228,200
Highway Fund		228,200
Department of Public Safety		
Veterans Affairs	$ 7,050,491	$ 6,289,717
Highway Patrol	621,975	72,741
Adjutant General	6,331,530	2,057,360
TOTAL	$ 14,003,996	$ 8,419,818
Highway Fund		72,741
General Revenue Fund		3,310,413
Other (City of Lebanon)		213,600
Federal Funds		4,823,064
Department of Corrections and Human Resources		
Division of Adult Institutions	$ 18,653,602	$ 1,922,118
TOTAL	$ 18,653,602	$ 1,922,118
General Revenue Fund		1,922,118
Department of Mental Health		
Farmington State Hospital	$ 7,105,083	$ 153,216
Fulton State Hospital	3,812,651	1,889,170
Higginsville State School-Hospital	1,381,039	221,990
Malcolm Bliss Mental Health Center	4,145,357	452,108
Marshall State School-Hospital	3,512,545	51,000
Mid-Missouri Mental Health Center	941,721	11,088
Nevada State School-Hospital	5,026,998	832,808
St. Joseph State Hospital	4,730,881	2,814,208
St. Louis State Hospital	5,435,807	601,659
St. Louis State School-Hospital	3,185,269	315,689
Southwest Psychiatric Center	462,000	462,000
Western Missouri Mental Health Center	2,089,208	787,403
Albany Regional Center	151,543	0
Hannibal Regional Center	45,819	34,028
Joplin Regional Center	637,421	275,520
Kansas City Regional Center	91,849	11,984
Kirksville Regional Center	587,001	15,794
Poplar Bluff Regional Center	211,725	0
Rolla Regional Center	136,236	34,444
Springfield Regional Center	285,959	18,346
St. Louis Developmental Disabilities Treatment Center	837,600	0
Central Office	250,000	0
TOTAL	$ 45,063,712	$ 8,982,455
General Revenue Fund		8,982,455

CAPITAL IMPROVEMENTS
DEPARTMENTAL SUMMARY (Continued)

	REQUEST FY 1983	GOVERNOR RECOMMENDS
Department of Social Services		
Data Processing-EDP Center	$ 100,000	$ 0
Division of Youth Services	1,984,661	383,714
Ellis Fischel State Cancer Hospital	1,796,829	117,700
State Chest Hospital	545,306	405,682
TOTAL	$ 4,426,796	$ 907,096
General Revenue Fund		884,304
Federal Funds		22,792

FUND SOURCE SUMMARY

General Revenue Fund	$ 25,224,505
Highway Fund	300,941
Federal Funds	5,212,393
Conservation Fund	25,000,000
State Park Earnings Fund	2,109,000
Land and Water Conservation Fund	419,225
Revenue Bonds	650,000
Other	213,600
TOTAL	$ 59,129,664